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Senate Republicans approve tax credit for new jobs

LANSING — Senate Republicans passed legislation Tuesday that would reduce the tax burden for small businesses that hire new employees, Sen. Bill Hardiman, R-Kentwood, announced.

“This legislation, instead of hindering companies from expanding and taking advantage of the nation’s growing economy, provides an incentive to help offset the job losses that have hit Michigan hard,” Hardiman said.

The tax credit available that would be created by Senate Bill 1093 is designed to offset the Single Business Tax cost of hiring a new employee. To qualify for the tax credit, created jobs must meet the following criteria:

- Did not exist in Michigan during the immediate preceding tax year;
- Represents an overall increase in full-time equivalent jobs in Michigan from one year to the next;
- Is not a job into which the employee transfers from an entity with which the taxpayer files a consolidated return; and
- Must include health care coverage or insurance.

SB 1093 is part of the JOBS Action Plan, a broad Republican plan for revitalizing Michigan’s job opportunities. The JOBS Action Plan is designed to create new job opportunities, save existing jobs, and promote a friendlier and healthier business climate in Michigan.

“This legislation helps generate new jobs and contributes to a healthy economy, causing long-term tax revenue growth as well as improving the incomes of working families,” Hardiman said.

SB 1093 now goes to the governor for approval.

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